

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

Honorable Marilyn Morgan

PREPARATION OF ORDERS RETAINING PROFESSIONALS

The Court has discontinued its prior practice of signing retention orders that incorporate either the supporting application or any attachments.

Retention orders must now include all material terms of the professional's employment. Such terms include:

1. Whether the employment is under § 327 or § 1103.
2. The date employment is effective.
3. The basis of compensation such as hourly, contingency or some other basis.
4. If the provisions of § 328(a) limiting review of compensation are applicable, such must be clearly stated.
5. Any proposed success fees or other back-end fees must be clearly described.
6. Any limitation on the professionals liability such as indemnification provisions, procedural limitations, claim limitations, damage limitations must be clearly described as well as whether such provisions are intended to bind successors and assigns.
7. Other material terms.

Material terms of employment not set forth in the order are not included in the court's approval.